



Lillebælt Revision

Statsautoriseret
revisionsanpartsselskab
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Vleppo ApS
Maglebjergvej 6
2800 Kongens Lyngby

CVR no. 40 51 69 80

Annual report for 2021

Adopted at the annual general
meeting on 19 July 2022

Peter Ivan Coco
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Vleppo ApS for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Odense, 19 July 2022

Executive board

Peter Ivan Coco
Director

Helen Ann Coco
director

Supervisory board

Helen Ann Coco
chairman

Stephen John Corbett
deputy chairman

Albert Saychuan Cheok

Peter Ivan Coco

Auditor's report on compilation of the financial statements

To the shareholder of Vleppo ApS

We have compiled the financial statements of Vleppo ApS for the financial year 1 January - 31 December 2021 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Middelfart, 19 July 2022

Lillebælt Revision
Statsautoriseret Revisionsanpartsselskab
CVR no. 10 12 20 58

Ole Lynge Andersen
Statsautoriseret revisor
MNE no. mne34462

Company details

The company

Vleppo ApS
Maglebjergvej 6
2800 Kongens Lyngby

Telephone: +45 54 34 15 15

Website: www.vleppo.com

CVR no.: 40 51 69 80

Reporting period: 1 January - 31 December 2021

Domicile: Lyngby-Taarbæk

Supervisory board

Helen Ann Coco, chairman
Stephen John Corbett, deputy chairman
Albert Saychuan Cheok
Peter Ivan Coco

Executive board

Peter Ivan Coco, director
Helen Ann Coco, director

Auditors

Lillebælt Revision
Statsautoriseret Revisionsanpartsselskab
Nyvang 7
5500 Middelfart

Lawyers

IDEAL Advokatfirma P/S
Vestergade 43, 1.
5000 Odense C

Bankers

Danske Bank A/S
Albani Torv 2
5000 Odense C

Management's review

Business review

The company's purpose is development and licensing of IP rights and software and related activities.

Financial review

The company's income statement for the year ended 31. december 2021 shows a loss of DKK 930.440, and the balance sheet at 31 December 2021 shows negative equity of DKK 1.318.331.

The company is still in the start-up phase and has been working on the development of the technical platform to support the future operation since its establishment. The global Covid19 pandemic has made it more difficult to attract funding for the future development of the software products and has thus resulted in delays to the expected launch. The company has launched its first products in June 2022, and expects that these products can generate a significant future revenue base.

The management expects, that sufficient earnings and liquidity will thus be available to maintain the operations of the company during the financial year 2022 and therefore presents the annual report on the assumption of continued operation.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Vleppo ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Impairment of fixed assets

The carrying amount of intangible assets is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit		-904.924	14.848
Staff costs	1	<u>-236.405</u>	<u>-411.735</u>
Profit/loss before net financials		-1.141.329	-396.887
Financial income		0	38.933
Financial costs		<u>-176.763</u>	<u>-142.861</u>
Profit/loss before tax		-1.318.092	-500.815
Tax on profit/loss for the year	2	<u>387.652</u>	<u>191.346</u>
Profit/loss for the year		<u><u>-930.440</u></u>	<u><u>-309.469</u></u>
Transferred to reserve for development expenditure		1.180.177	950.319
Retained earnings		<u>-2.110.617</u>	<u>-1.259.788</u>
		<u><u>-930.440</u></u>	<u><u>-309.469</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Development projects in progress		<u>3.236.200</u>	<u>1.723.152</u>
Intangible assets	3	<u>3.236.200</u>	<u>1.723.152</u>
Total non-current assets		<u>3.236.200</u>	<u>1.723.152</u>
Receivables from group companies		12.099	7.099
Other receivables		120.070	539.606
Corporation tax		<u>332.871</u>	<u>268.039</u>
Receivables		<u>465.040</u>	<u>814.744</u>
Cash at bank and in hand		<u>156.251</u>	<u>194.602</u>
Total current assets		<u>621.291</u>	<u>1.009.346</u>
Total assets		<u><u>3.857.491</u></u>	<u><u>2.732.498</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		40.000	40.000
Reserve for development costs		2.524.235	1.344.058
Retained earnings		-3.882.566	-1.771.949
Equity		-1.318.331	-387.891
Provision for deferred tax		98.496	153.277
Total provisions		98.496	153.277
Convertible and profit-yielding instruments of debt		1.480.901	1.322.621
Holiday allowance		65.769	65.769
Total non-current liabilities	4	1.546.670	1.388.390
Payables to group entities		2.463.922	1.025.282
Payables to shareholders and management		135.105	136.445
Other payables		235.038	139.320
Deferred income		696.591	277.675
Total current liabilities		3.530.656	1.578.722
Total liabilities		5.077.326	2.967.112
Total equity and liabilities		3.857.491	2.732.498

Statement of changes in equity

	<u>Share capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	40.000	1.344.058	-1.771.949	-387.891
Net profit/loss for the year	0	1.180.177	-2.110.617	-930.440
Equity at 31 December 2021	<u>40.000</u>	<u>2.524.235</u>	<u>-3.882.566</u>	<u>-1.318.331</u>

Notes

	<u>2021</u> DKK	<u>2020</u> DKK
1 Staff costs		
Wages and salaries	910.698	960.698
Other social security costs	17.638	22.349
Other staff costs	<u>27.290</u>	<u>-1.696</u>
	955.626	981.351
Transfer to development costs	<u>-719.221</u>	<u>-569.616</u>
	<u>236.405</u>	<u>411.735</u>
Average number of employees	<u>3</u>	<u>4</u>
2 Tax on profit/loss for the year		
Current tax for the year	-332.871	-268.039
Deferred tax for the year	<u>-54.781</u>	<u>76.693</u>
	<u>-387.652</u>	<u>-191.346</u>
3 Intangible assets		Development projects in progress
		<u>1.723.152</u>
Cost at 1 January 2021		1.723.152
Additions for the year		<u>1.513.048</u>
Cost at 31 December 2021		<u>3.236.200</u>
Impairment losses and amortisation at 1 January 2021		<u>0</u>
Impairment losses and amortisation at 31 December 2021		<u>0</u>
Carrying amount at 31 December 2021		<u>3.236.200</u>

Notes

4 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Convertible and profit-yielding instruments of debt	1.322.621	1.480.901	0	0
Holiday allowance	65.769	65.769	0	0
	1.388.390	1.546.670	0	0

5 Uncertainty about the continued operation (going concern)

The company is still in the start-up phase and has been working on the development of the technical platform to support the future operation since its establishment. The global Covid19 pandemic has made it more difficult to attract funding for the future development of the software products and has thus resulted in delays to the expected launch. Management has good indications and expectations that the company can launch products in 2021, and that these products can generate a significant future revenue base.

The company has launched its first product in June 2022 and management expects, that sufficient earnings and liquidity will thus be available to maintain the operations of the company during the financial year 2022 and therefore presents the annual report on the assumption of continued operation.

6 Contingent liabilities

The company is jointly taxed with its parent company, Left Hook ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2019 onwards as well as for payment of withholding taxes on dividends, interest and royalties.